

EXHIBIT 1



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November 2, 2018

Via Overnight Mail

Robert A. Reicker
Chief Financial Officer
Sears Holdings Corporation
3333 Beverly Road
Hoffman Estates, IL 60179

Re: In re Sears Holdings Corporation, *et al.*
Chapter 11, U.S. Bankr. S.D.N.Y. Case No. 18-23538 (RDD)
Reclamation Demand by Magformers LLC

Dear Sir:

We represent Magformers, LLC ("Magformers"), a creditor of Sears Holdings Corporation. ("Sears") and certain of its affiliates. It is our understanding that Sears and certain of its affiliates (collectively, the "Debtors") each filed chapter 11 petitions (the "Petitions") on or about October 15, 2018 in the United States Bankruptcy Court for the Southern District of New York (the "Petition Date"), and that the Debtors' respective bankruptcy cases are currently being jointly administered under Case No. 18-23538 (RDD). The filing of the Petitions indicates to us that the Debtors are insolvent.

Pursuant to Section 546(c) of the United States Bankruptcy Code and the Uniform Commercial Code § 2-702, Magformers hereby makes written demand for the return of all goods shipped by Magformers, in the ordinary course of Magformers' business and in its ordinary course relationship with Sears, and received by the Debtors, as ordered and on credit, at any of their locations at any time during the forty-five (45) day period immediately preceding the Petition Date that remain in any of the Debtors' possession and which have not been paid for as of today, including, but not limited to, those goods referenced on the invoices enclosed herewith as **Exhibit A** (such goods collectively, the "Goods"). The delivery of the Goods to the Debtors was made at a time when each of the applicable Debtors was insolvent. The amount of this reclamation demand is not less than **\$3,348.00**. This reclamation demand relates to all shipments by Magformers and any of Magformers' affiliates or Magformers' affiliates' respective divisions to the Debtors and any of the Debtors' affiliates or the Debtors' affiliates' respective divisions.

By making this reclamation demand, Magformers does not intend and shall not be deemed to have waived any rights, remedies, or defenses in connection with any of the above-referenced chapter 11 cases and/or any of Magformers' rights to assert claims against any of the Debtors, including, but not limited to: (i) the right to assert proofs of claim for any unpaid prepetition amounts; (ii) the right to

DMEAST #35881275 v1

Robert A. Reicker
November 2, 2018
Page 2

assert that Magformers is entitled to an administrative expense priority claim, including a claim arising under 11 U.S.C. § 503(b)(9); (iii) Magformers' rights and defenses with respect to any orders entered in the above-referenced chapter 11 cases providing for the treatment of certain critical and/or non-critical priority trade vendors; (iv) the right to assert that certain of the Goods were delivered to the Debtors on a post-petition basis such that Magformers is entitled to payment of those Goods in the ordinary course of business as an administrative expense claim under 11 U.S.C. § 503(b)(1)(A); and (v) Magformers' right to set off any amounts that it may owe to Debtors against any amounts that Debtors may owe to Magformers. Subject to further diligence and without waiving any rights under 11 U.S.C. § 546(c), Magformers intends at a minimum to file a proof of claim for any unpaid prepetition amounts as well as to assert an administrative claim for a portion of such amounts pursuant to 11 U.S.C. § 503(b)(9).

Magformers reserves the right to further amend or supplement this reclamation demand by providing additional evidence in support hereof.

Please call the undersigned to arrange for the immediate return of the Goods. In the interim, please protect and segregate the Goods and provide us with written acknowledgment of receipt of this reclamation demand and confirmation that the Goods are on your premises and will not be used for any purpose whatsoever except those specifically authorized following notice and a hearing by the bankruptcy court. Absent such authority or an agreement by Magformers, the Debtors do not have the permission, consent, authorization or right to use the Goods that are the subject of this reclamation demand and which Goods constitute the property of Magformers.

If you have any questions with respect to the foregoing, please feel free to contact the undersigned counsel.

Very truly yours,



Laurel D. Roglen

LDR
Attachments

cc: Ray C. Schrock, Esq., et al., Counsel for the Debtors (w/attachments, via Overnight Mail)

EXHIBIT A

Magformers, LLC

44125 Ford Road
Canton, MI 48187
Ph: (734)667-1673
www.magformers.com

Statement

Date

10/31/2018

Sears Holding Company

Terms	Amount Due	
Net 60	\$134,379.15	

Date	Description	Amount	Balance
11/06/2017	PMT #Via Statement.	-25.00	-25.00
	Fairless Hills-		
07/26/2018	INV #88574. Due 09/24/2018. Orig. Amount \$2,982.60.	2,982.60	2,957.60
08/03/2018	INV #88706. Due 10/02/2018. Orig. Amount \$442.80.	442.80	3,400.40
08/24/2018	INV #89049. Due 10/23/2018. Orig. Amount \$597.60.	597.60	3,998.00
	Kmart.com-		
04/11/2018	INV #240808. Due 04/11/2018. Orig. Amount \$80.95. 259134594	80.95	4,078.95
07/16/2018	INV #241389. Due 07/16/2018. Orig. Amount \$42.45. 270275394	42.45	4,121.40
07/23/2018	INV #241483. Due 07/23/2018. Orig. Amount \$38.95. 271224218	38.95	4,160.35
07/31/2018	INV #241695. Due 07/31/2018. Orig. Amount \$43.45. 272092268	43.45	4,203.80
	Lawrence-		
07/09/2018	INV #88372. Due 09/07/2018. Orig. Amount \$442.80.	442.80	4,646.60
07/23/2018	INV #88543. Due 09/21/2018. Orig. Amount \$112,695.00.	112,695.00	117,341.60
07/26/2018	INV #88575. Due 09/24/2018. Orig. Amount \$1,117.80.	1,117.80	118,459.40
09/24/2018	INV #89539. Due 11/23/2018. Orig. Amount \$298.80.	298.80	118,758.20
10/03/2018	INV #89775. Due 12/02/2018. Orig. Amount \$298.80.	298.80	119,057.00
	08273677715		
10/08/2018	INV #89863. Due 12/07/2018. Orig. Amount \$365.40.	365.40	119,422.40
	Manteno-		
07/23/2018	INV #88503. Due 09/21/2018. Orig. Amount \$2,982.60.	2,982.60	122,405.00
10/08/2018	INV #89861. Due 12/07/2018. Orig. Amount \$448.20.	448.20	122,853.20
	Ocala-		
06/29/2018	INV #88259. Due 08/28/2018. Orig. Amount \$448.20.	448.20	123,301.40
07/26/2018	INV #88579. Due 09/24/2018. Orig. Amount \$2,838.60.	2,838.60	126,140.00
08/24/2018	INV #89048. Due 10/23/2018. Orig. Amount \$562.80.	562.80	126,702.80
	Onatario-		
07/09/2018	INV #88373. Due 09/07/2018. Orig. Amount \$514.80.	514.80	127,217.60

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
3,348.00	2,937.00	127,394.20	448.20	251.75	\$134,379.15

Magformers, LLC

44125 Ford Road
Canton, MI 48187
Ph: (734)667-1673
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Statement

Date

10/31/2018

Sears Holding Company

Terms	Amount Due	
Net 60	\$134,379.15	

Date	Description	Amount	Balance
07/26/2018	INV #88548. Due 09/24/2018. Orig. Amount \$1,344.60.	1,344.60	128,562.20
08/06/2018	INV #88723. Due 10/05/2018. Orig. Amount \$448.20.	448.20	129,010.40
08/22/2018	INV #88962. Due 10/21/2018. Orig. Amount \$448.20.	448.20	129,458.60
09/07/2018	INV #89251. Due 11/06/2018. Orig. Amount \$448.20.	448.20	129,906.80
10/08/2018	INV #89862. Due 12/07/2018. Orig. Amount \$442.80.	442.80	130,349.60
Sears.com-			
09/25/2017	INV #81393. Due 11/24/2017. Orig. Amount \$70.95.	70.95	130,420.55
07/17/2018	INV #241417. Due 09/13/2018. Orig. Amount \$30.95. 2302275	30.95	130,451.50
07/18/2018	INV #241430. Due 09/14/2018. Orig. Amount \$55.45. 2400348	55.45	130,506.95
07/20/2018	INV #241472. Due 09/16/2018. Orig. Amount \$115.95. 0776034	115.95	130,622.90
07/20/2018	INV #241473. Due 09/16/2018. Orig. Amount \$85.95. 0775799	85.95	130,708.85
07/20/2018	INV #241474. Due 09/16/2018. Orig. Amount \$85.95. 0776035	85.95	130,794.80
07/24/2018	INV #241506. Due 09/19/2018. Orig. Amount \$115.95. 0776430	115.95	130,910.75
07/26/2018	INV #241545. Due 09/22/2018. Orig. Amount \$55.45. 3286051	55.45	130,966.20
07/30/2018	INV #241603. Due 09/23/2018. Orig. Amount \$55.95. 3317195	55.95	131,022.15
07/31/2018	INV #241649. Due 09/27/2018. Orig. Amount \$30.95. 3580861	30.95	131,053.10
08/01/2018	INV #241713. Due 09/28/2018. Orig. Amount \$55.45. 0016889	55.45	131,108.55
Warren-			
07/23/2018	INV #88502. Due 09/21/2018. Orig. Amount \$1,787.40.	1,787.40	132,895.95
08/22/2018	INV #88961. Due 10/21/2018. Orig. Amount \$437.40.	437.40	133,333.35
09/24/2018	INV #89554. Due 11/23/2018. Orig. Amount \$597.60.	597.60	133,930.95
10/08/2018	INV #89860. Due 12/07/2018. Orig. Amount \$448.20.	448.20	134,379.15

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
3,348.00	2,937.00	127,394.20	448.20	251.75	\$134,379.15